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„Funding Guideline 06 plus for the Creative Industries“

Funding Guideline 06plus for the Creative Industries

1	Objectives	2
2	Application	3
2.1	Applicants	3
2.2	Joint application	4
3	Criteria	6
3.1	Formal criteria	6
3.2	Content-related criteria	6
4	Funding	7
4.1	Funding intensity, costs eligible for funding	7
4.2	Interdiction of substitution, accumulation provisions, maximum funding	7
5	Procedure	8
5.1	Submission of applications	8
5.2	Assessment of applications	9
5.3	Decision	10
5.4	Notification	11
5.5	Payment	11
6	Supplementary provisions	13
6.1	Duty of disclosure, preservation and reporting	13
6.2	Revocation of granted funding	14
6.3	Data protection	15
6.4	Legal basis / legal claim	16
6.5	Period of validity	16
6.6	Program management	16
7	Funding programs	17
7.1	departure_classic	17
7.2	departure_focus	19
7.3	departure_experts	21
7.4	departure_pioneer	23
	Annex A Costs eligible for funding	25
	Annex B De minimis regulation	27
	Annex C Definition of the term “creative industries“	28

1 Objectives

With its focus program “Creative Industries”¹ *departure wirtschaft, kunst und kultur gmbh* supports the economic exploitation of innovative and creative work in Vienna. *departure* does not intervene in the creative process, its regularities and capacities, but provides assistance in the commercial exploitation of creative developments with a focus on creating new values and not on the commercialization of art and culture.

We address all those creative professionals who do not perceive economic thinking and acting as a straitjacket, who accept the basic rules and mechanisms of the economy and consider themselves part of the business life. The present guideline aims at identifying and supporting the strong points of the creative industries companies in Vienna and thus to allow the economic implementation of creative potentials taking into account specific characteristics of this branch of industry and different frame conditions such as the predominance of small and medium-sized enterprises or already existing funding structures.

With the programs of this guideline the City of Vienna supports the further development of the creative industries thus creating an additional economic focus in Vienna and concentrating on the economically oriented, entrepreneurial activities in the field of the creative industries with a special focus on the following segments:

- the development of new creative and innovative products, processes and services, sales and production promoting measures for products, processes and services in the run-up of serial production and their marketing, in particular if innovative utilization and distribution strategies are developed and implemented (*departure_classic* and *departure_focus*)
- consulting services for projects allowing increased growth and the gain of knowledge of creative industries enterprises in Vienna (*departure_experts*)
- company set-ups in the field of the creative industries (*departure_pioneer*)

What is explicitly not eligible for funding are purely artistically oriented projects.

This guideline comprises several interacting funding programs and includes all measures that are in line with the objectives of the Viennese economic policy and are implemented with the means of the City of Vienna (funding party) by *departure wirtschaft, kunst und kultur gmbh*.

¹ Annex C provides a definition of the term “creative industries

2 Application

2.1 Applicants

The legal entities listed in the following are entitled to file applications in the scope of this guideline. The entities must have their headquarters in Vienna according to § 27 BAO² (Federal Tax Code) and develop business-oriented projects in the sense of this guideline.

2.1.1 Companies

In the sense of this guideline companies are economic entities carrying out permanent, self-employed, organized and profit-making activities at their own risk irrespective if the activities are commercial or freelance activities.

Companies are entitled to file applications upon presentation of a tax clearance certificate of the cashier's office (Stadtkasse) of the City of Vienna certifying that they satisfied their obligation to pay their municipal duties and that they dispose of the necessary authorizations (e.g. licenses) to carry out the project.

2.1.2 Company founders

In the sense of this guideline company founders are legal entities that have started to set up a company according to item 2.1.1.

Company founders are entitled to file applications on condition that they

- establish the company within 6 months after notification according to item 5.4 and quit any regular employment³,
- confirm that they dispose of the necessary authorizations (e.g. licenses) for carrying out the project or that the company that is being founded will dispose of these authorizations.

² In the sense of the Federal Tax Code (BAO) corporate bodies, associations of individuals and legal estates have their headquarters at a location determined by law, contract, statute, letter of donation or the like. If there is no such regulation, the place of business is where the office of the management is located.

³ This does not apply to peripheral employments – e.g. teaching assignments at universities – that do not hinder the applicant in concentrating his efforts on setting up the company.

2.1.3 Other legal entities

All those legal entities that do not conform with the definition according to items 2.1.1 and 2.1.2 are entitled to file applications only if

- it is a joint application in the sense of item 2.2 and this application is filed together with at least one legal entity entitled to file applications according to items 2.1.1 or 2.1.2 and
- upon presentation of a tax clearance certificate of the cashier's office (Stadtkasse) of the City of Vienna certifying that they satisfied their obligation to pay their municipal duties and that they dispose of the necessary authorizations (e.g. licenses) to carry out the project.

2.1.4 Legal entities not entitled to file applications

Not entitled to file applications are

- legal professional representations of interest
- professional representations of interest under private law
- legal entities that are predominantly financed from public means or controlled by entities of public law (in particular by one or several local authorities) and that cannot plausibly and comprehensibly explain that granting of a funding in the scope of this guideline does not lead to the substitution of other public means.

2.2 Joint application

An application for the funding programs described in this guideline can be filed by several parties for one and the same project on the condition that at least one of the legal entities entitled to file an application is a company or company founder according to items 2.1.1 or 2.1.2.

In this case each of the applicants is granted funding on the following conditions:

- The joint applicants have to determine one of the participating legal entities, which is considered an entrepreneur/company founder according to item 2.1.1 or item 2.1.2, as their representative before the funding institution and authorize this representative to represent their interests.
- When filing the application the master data of all applicants has to be disclosed; the allocation of work packages, project costs, project risks, project results and rights as well as the allocation of funding among the applicants has to be determined in writing and disclosed to the funding institution.

Funding granted to a legal entity that is part of the joint applicants and to whom the specifications defined in item 2.1.3 apply must not exceed the maximum amount of funding granted to one of the companies/company founders filing a joint application.

The sum of funding granted to the individual legal entities that are part of the joint applicants and to whom the specifications according to item 2.1.3 apply must not exceed the total sum of funding granted to the companies/company founders filing a joint application.

As this guideline is subject to the de minimis regulation of the European Commission (see item 6.4 and Annex B) the following applies:

If

- the joint applicants are an organization of personal, material or immaterial means and
- the permanent cooperation of the applicants for a joint economic purpose is aimed at

the applicants have to be considered as one company in the sense of the de minimis regulation of the European Commission according to item 6.4 and Annex B. Thus funding must only be granted to an extent that does not exceed the maximum amount that can be granted to a company as stipulated in the regulation on the granting of funding.

3 Criteria

In the following the criteria valid for all funding programs are presented. Any restrictions or expansions of the individual funding programs are explicitly mentioned according to item 7.

3.1 Formal criteria

Formal criteria are the completeness of application, the compliance with the regulations of this guideline and the compliance with specific regulations regarding the calls – e.g. submission deadlines.

3.2 Content-related criteria

- Adequate project planning in view of the successful implementation of the project in technical, organizational and financial terms
- Adequate technical, organizational financial and human resources for the successful implementation of the project
- Degree of innovation/relative novelty of the project regarding development and/or utilization
- Artistic-creative content of the project
- Sustainability and the intention to economically utilize the project on a national and/or international level
- Effects in terms of synergies, economic policy, cultural policy and additionality for Vienna as a location for the creative industries and for the transfer of knowledge.

4 Funding

4.1 Funding intensity, costs eligible for funding

The funding intensities for each program are described in the respective subsections under item 7.

The assessment basis for funding may include the project costs incurring in the scope of project execution according to the regulations in Annex A unless restrictions and expansions of the individual funding programs according to item 7 are explicitly mentioned. However, project costs are only chargeable starting with the date of application (date of receipt by *departure*).

4.2 Interdiction of substitution, accumulation provisions, maximum funding

Funding granted in the scope of this guideline must not lead to the substitution of other public means. The applicant has to confirm this if necessary. Multiple funding from public means of the City of Vienna for the same elements of a project is also not permissible.

Any other funding received by or submitted with a public funding authority (in particular a federal authority or the European Union) for a project funded in the scope of this guideline has to be disclosed by the applicant. Whether a project is funded or not and the amount of funding in the scope of this guideline is determined on the basis of this information.

The present guideline is subject to the de minimis regulation of the European Commission (see item 6.4 and Annex B). The maximum funding granted to a company over a period of three years must not exceed the upper limit of the de minimis aid in the sense of this regulation and of the Communications of the European Commission.

In order not to exceed the upper limit, the de minimis aid granted in the course of the past three years has to be taken into account for determining the maximum funding that can be granted in the scope of this guideline. The applicant has to provide *departure* with a complete list of all de minimis aids granted over the past three years.

5 Procedure

The funding programs listed under item 7 are carried out by means of the procedures mentioned. The procedures differ depending on whether applications may be filed any time or whether applications can only be filed in the scope of topic-specific, temporary calls.

5.1 Submission of applications

5.1.1 General terms

The applicant is obliged to fill in the application form completely, correctly and to the best of his/her knowledge.

a. Online submission

Applications have to be submitted online at www.departure.at.

The modus operandi determined by *departure* particularly regarding the electronic signature is explained on the website and has to be complied with. In case it is not possible to obtain a legally binding electronic signature, the application or relevant parts of the application have to be submitted in written form and with a legally binding signature and are only valid in this form.

b. Application in written form

In case online application is not possible and application forms are available, these application forms have to be used by the applicant and furnished with a legally binding signature; the required supplements have to be enclosed. One copy of the application has to be transmitted to *departure* either personally or by mail. In addition, the complete and unaltered application and supplements have to be transmitted electronically by e-mail or by means of a data storage medium (floppy disk, CD etc.).

c. Date of application

At the date of application the implementation of the project submitted for funding must not yet have started. As to chargeable project costs see item 4.1.

5.1.2 Application for ongoing projects

The application according to item 5.1.1 is possible any time within the period of validity of this guideline.

5.1.3 Application in the scope of specific calls

In order to focus on specific contents for the further development of the creative industries and depending on cultural and economic requirements and the financial means available, *departure* can initiate specific calls – either alone or with partners - and define adequate and detailed provisions for this purpose. Applications may be filed with *departure* during the application period according to item 5.1.1.

The calls are announced adequately and in good time, at least two months prior to the end of the application period. The following information has to be provided:

- objective and conditions
- application period
- partners participating in the call
- earmarked budget

5.2 Assessment of applications

5.2.1 Formal assessment of applications

All applications for all programs are subject to a preliminary examination by *departure* particularly as regards the compliance with formal criteria according to item 3.1, the existence of an assessment basis and the compliance with additionally stipulated conditions. In case of the insufficiency of the application, there is no content-related assessment of the application being performed.

5.2.2 Content-related assessment of applications – general provisions

In the event of a positive formal examination the applications are assessed with regard to the content according to the criteria under item 3.2 and the specific criteria of the individual programs according to item 7. The procedures depend on the type of project and the amount of funding to be granted.

The highest rating is 100 points. Applications rated with fewer than 50 points are not funded. Upon resolution of the executive committee of the Vienna Business Agency (VBA) this limit can be raised for a certain period of time if necessary for budgetary reasons.

As a rule only electronically filed application documents, or application documents submitted in writing with a sufficient basis for an assessment according to the defined guideline are being assessed. *departure* is furthermore free to ask the applicant to provide additional information on the application or parts of it either in writing, verbally or in the form of a presentation.

All parties in charge of the assessment are sworn to secrecy.

In case projects or parts of it have already been examined and assessed by public funding authorities *departure* can include this assessment in its own evaluation.

a. Content-related assessment of applications carried out by *departure*

The assessment is done by qualified *departure* staff according to item 5.2.2. In the scope of the assessment *departure* can commission additional expert opinions.

b. Content-related assessment of applications carried out by a jury

A jury appointed by *departure* and comprising at least three experts (once or regularly participating) assesses the submitted applications according to item 5.2.2 of the guideline. In the scope of the assessment *departure* can commission additional expert opinions.

The composition of the jury is published adequately, the information may be obtained from *departure*. Prior to the assessment the applicant has the non-recurring opportunity to exclude two jury members (persons or institutions) at maximum from assessing his/her application, if he/she suspects these jury members biased in the sense of § 7 AVG (Austrian law on administrative procedures). The presumption has to be justified.

5.3 Decision

The executive committee of the Vienna Business Agency (VBA) decides on the funding recommendation presented by *departure* according to 5.3.1. or 5.3.2 and recommends the Municipality of the City of Vienna to grant funding or to reject the application.

The decision is taken by the Municipality of the City of Vienna and is based on the recommendation by the executive committee of the Vienna Business Agency (VBA).

5.3.1 Funding recommendation in the scope of ongoing programs

All complete applications filed in the scope of an ongoing program during a calendar quarter are assessed according to item 5.2. In the following quarter they are ranked according to the results of the assessment.

Subsequently, the executive committee of the Vienna Business Agency (VBA) is presented with a list containing all applications and a funding recommendation (grants and refusals) according to the ranking and to the budgetary potential. As a rule the quarterly proportionate annual budget is being drawn on.

Applications that cannot be included in these funding recommendations for budgetary reasons are considered in the next quarter, where they are ranked once again together with the new applications.

5.3.2 Funding recommendations in the scope of specific calls

All applications filed in the scope of a call are assessed according to point 5.2 and ranked according to the results.

Subsequently, the executive committee of the Vienna Business Agency (VBA) is presented with a list containing all applications and a funding recommendation (grants and refusals) according to the ranking and to the budgetary potential (there is a budget earmarked for each call).

5.4 Notification

The applicant is notified in writing by *departure* of the Municipality's decision and the conditions for granting of funding. The given funding amounts are maximum amounts. If an application is refused the reasons for refusal are given in the notification.

5.5 Payment

If funding was granted subject to conditions, these conditions have to be fulfilled by the applicant and proof thereof furnished before any funding is paid, unless these conditions have to be fulfilled up to a certain deadline or are connected with a specific event.

In the following the terms of payment applying to all funding programs are described. Any restrictions or expansions regarding the individual funding programs have to be explicitly mentioned according to item 7.

5.5.1 Advance payments

If the granting of funding is not connected with conditions specified in the notification according to item 5.4 the applicant can request advance payment of the maximum funding amount given in the notification according to item 5.4 after receipt of this notification and after furnishing proof of the start of the project funded. The amount of advance payment is detailed in the individual funding programs according to item 7.

5.5.2 Part payment

After reaching a specific proportion of the estimated project costs part payments are possible depending on the funding program. The applicant may ask for part payment of the maximum funding amount given in the notification according to item 5.4. For this purpose an interim report has to be presented according to item 6.1.1⁴. The amount of part payment depends on the funding program and is specified under item 7.

5.5.3 Final payment

After conclusion of the funded project a final report has to be presented according to item 6.1.2.

The final amount of funding is recalculated on the basis of the reviewed costs of the funded project that are actually eligible for funding.

Effected advance payments according to item 5.5.1 or effected part payments according to

⁴ If the total costs given in the interim report based on a revised cost calculation are considerably lower than previously calculated, part payments have to be adapted to the new circumstances i.e. they have to be reduced or suspended.

item 5.5.2 are deducted from the maximum funding amount given in the notification according to item 5.4 or from the definitive funding amount falling below the maximum amount.

In case of a positive balance, money is transferred to the applicant, in case of a negative balance, the applicant has to repay the money within two weeks.

6 Supplementary provisions

6.1 Duty of disclosure, preservation and reporting

In the following the duties of disclosure and reporting regarding the funding programs are described.

6.1.1 Interim report

If funding is granted in the scope of the funding programs *departure_classic* (item 7.1) and *departure_focus* (item 7.2) the applicant has to present a detailed interim report on the funded project on his/her own initiative three months at the latest after incurring of 50 percent of the estimated total project costs. If specific forms are available for this purpose, these forms have to be used and filled in completely. The interim report also has to include an interim account of actually incurred costs as well as the revised cost planning for the entire project.

6.1.2 Final report

If funding is granted in the scope of the funding programs the applicant has to present a detailed final report on the funded project on his/her own initiative three months at the latest after completion of the funded project. If specific forms are available for this purpose, these forms have to be used and filled in completely. The final report also has to include the final account of actually incurred project costs.

6.1.3 Monitoring and evaluation

Relevant qualitative and/or quantitative changes of the ongoing project, which are essential for the success of the funded project have to be reported to *departure* without delay.

After conclusion of the project the continuous observation of the projects and companies funded is important for the further development of the funding instruments. Each applicant is thus obliged to answer any questions completely and – if required – in writing occurring in connection with the projects submitted for funding and the general development of the funded company, and to furnish the requested supporting documentation. This obligation ends seven years after final payment of funding according to item 5.5.3.

6.1.4 Publication

Applicants who receive funding have to indicate in all publications and mention of their project in the media or in advertising material, wherever reasonable, that the project was funded by the City of Vienna. The *departure* logo has to be placed where it seems reasonable.

6.1.5 Preservation of documents, inspection by *departure*

The applicant is obliged to properly, carefully and conveniently preserve all documents transmitted in connection with the application and relevant for the application as well as documents of *departure*, which are relevant for granting of funding and its administration, and which were transmitted to the applicant by *departure* over a period of ten years starting with the payment of funding or the last installment (preservation period).

During the preservation period the applicant is obliged to provide *departure*, the Vienna Business Agency, the Municipality of the City of Vienna and the Auditing Department of the City of Vienna or their authorized representatives with the original copy or a photocopy.

During the preservation period *departure*, the Vienna Business Agency, the Municipality of the City of Vienna, the Auditing Department of the City of Vienna or their authorized representatives are entitled to ask the applicant any time to transmit all above-mentioned documents electronically or to allow them to take a look at such documents in electronic form.

6.2 Revocation of granted funding

6.2.1 Reasons for revocation

Up to three years after the last payment the granted funding can be revoked

- in case of misappropriation of funds, or
- if auditing by *departure*, the Vienna Business Agency, the Municipality of the City of Vienna, the Auditing Department of the City of Vienna or their authorized representatives are refused or hindered or if the duty to report in connection with the project is infringed, or
- if bankruptcy proceedings were instituted against the applicant or rejected for want of cover (exception: enforced settlements accepted and confirmed) or
- if the company of the applicant is permanently closed down, or
- if the preconditions for granting of funding – in particular according to the relevant domestic and community laws – no longer apply (also retroactively), and there is no valid basis for funding or
- if information on circumstances, which were essential for the granting of funding, prove to be incomplete or incorrect, in particular if contrary to the expectations expressed in the application
 - in the case of funding of company founders according to item 2.1.1 the establishment of the company did not take place within 6 months after notification of funding according to item 5.4 or
 - if the applicant or his/her partner companies or group of companies transferred important parts of his/her activities with intensive added value so far earned in Vienna outside Vienna, or

- if the project funded is not being implemented in Vienna or
- if the time flow of the project is considerably delayed or cancelled without giving justifiable reason.

A granted funding can be revoked up to ten years after the last payment of funding, if proof of the orderly preservation of documents according to item 6.1.5. cannot be furnished, or if the applicant does not immediately transmit the preserved documents upon request to *departure*, the Vienna Business Agency, the Municipality of the City of Vienna, the Auditing Department of the City of Vienna or their representatives, or – in case the electronic storage and access was requested – if electronic access to the documents was not provided.

If the project funded consists of different sections to which certain amounts of funding can be allocated, and the reason for revocation applies only to specific sections, the revocation can be limited to the funding allocated to these sections, unless the reason for revocation is due to a significant fault of the applicant.

6.2.2 Repayment

In case of revocation the grant plus interest has to be repaid within two weeks. The interest is calculated from the date of actual payment to the date of repayment. The interest rate complies with the decree of the Chief Executive Office of November 13, 1998, MD-117-9/98 or another decree replacing this one.

6.2.3 Duty of notification

The applicant is obliged to immediately notify the Municipal Department 5 - Finance, Budget and Statistics, 1082 Vienna, Ebendorferstrasse 2, and *departure* in writing if reasons for a revocation should incur. If this obligation of notification is observed the reclaiming party may refrain from charging interest in case of a reclaim of funds.

6.3 Data protection

According to § 7 section 1 point 2 of the Austrian Data Protection Act as amended, the applicant is obliged to agree to the communication of all applicant-related data contained in the grant application and arising from the processing and auditing of the grant. Such data can be subjected to or intended for automatic processing according to § 6 of the Austrian Data Protection Act and they can be communicated for control purposes to *departure*, the Vienna Business Agency, the Municipality of Vienna, and to the authorities of the City of Vienna, the Republic of Austria and the EU.

In the course of the application *departure* has the full right to publish the name of the funded applicant and project, a project description authorized by the applicant, the amount of funding and the reasons for the selection of a project. Any communication of data is immediately stopped upon receipt of such revocation by *departure* except where communication requirements set out in other legal provisions have to be observed. The withdrawal of the consent by the applicant entails the revocation of funding; already received money has to be paid back.

6.4 Legal basis / legal claim

Regulation (EC) No. 69/2001 of the European Commission of January 12, 2001 on the application of Articles 87 and 88 of the EC treaty on “de minimis“ aids, Official Journal of the European Communities No. of January 13, 2001, p. 0030 in the respective valid version or a regulation replacing this one (see Annex B).

Resolution of the Viennese Municipal Council of May 24, 2006 under Pr.Z. 02109-006/0001-GFW.

Applicants have no legal claim on the granting of funding.

6.5 Period of validity

This guideline is valid from July 1, 2006 to December 31, 2010.

6.6 Program management

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7 Funding programs

7.1 **departure_classic**

7.1.1 **Focus**

In the scope of this program the City of Vienna is funding

- the development of new creative and innovative products, processes and services,
- sales and production promoting measures for products, processes and services in the run-up of serial production
- and their marketing, in particular if innovative utilization and distribution strategies are developed and implemented

in order to

- take measures for the structural improvement of Viennese companies of the creative industries focusing on development, sales, distribution and utilization,
- support the best ideas and projects in Vienna in the scope of “bottom-up funding“
- and thus to strengthen the competitiveness and growth of the companies involved.

7.1.2 **Applicants in detail**

Applications may be filed by companies, company founders and other legal entities of the creative industries according to items 2.1.1, 2.1.2 and 2.1.3.

7.1.3 **Criteria in detail**

The criteria specified under item 3 apply; in addition the international orientation of the project – in particular as regards exploitation and sales – is assessed. If required *departure* can provide more detailed information .

7.1.4 **Funding in detail**

Assessment basis:	all costs directly assignable to the project (in accordance with the provisions in Annex A)
Funding intensity:	47 percent; additional 3 percent for projects directed by women and/or projects where women are significantly involved in project management (as regards both concept and implementation); the maximum funding intensity thus is 50 percent.
Maximum duration of the project:	three years

Maximum funding: in compliance with the de minimis regulation (see item 6.4. and Annex B) and to the accumulation provisions according to 4.2

7.1.5 Procedure in detail

Submission: any time according to item 5.1.2

Assessment of the content: jury decision according to item 5.2.2 b

Payment: 50 percent in advance according to item 5.5.1,
30 percent part payment when half of the total costs have been spent according to item 5.5.2,
20 percent after conclusion of the project according to item 5.5.3

7.2 departure_focus

7.2.1 Focus

In the scope of this program the City of Vienna is funding

- the development of new creative and innovative products, processes and services,
- sales and production promoting measures for products, processes and services in the run-up of serial production
- and their marketing, in particular if innovative utilization and distribution strategies are developed and implemented

in order to

- set a focus regarding the contents with clearly defined subjects with the aim of giving new stimulus to and promoting the further development of the creative industries,
- be able to react to current trends and developments both as regards time and contents
- quickly utilize the latest findings in the field of the creative industries in the scope of a concrete call.

7.2.2 Applicant(s) in detail

Applications may be filed by companies, company founders and other legal entities of the creative industries according to items 2.1.1, 2.1.2 and 2.1.3.

7.2.3 Criteria in detail

The criteria specified under item 3 apply; in addition the international orientation of the project – in particular as regards exploitation and sales – is assessed. If required *departure* can provide more detailed information. The criteria for the individual calls may also be provided in greater detail.

7.2.4 Funding in detail

Assessment basis:	all costs directly assignable to the project (in accordance with the provisions in Annex A)
Funding intensity :	57 percent; additional 3 percent for projects directed by women and/or projects where women are significantly involved in project management (as regards both concept and implementation); the maximum funding intensity thus is 60 percent.
Maximum duration of the project:	three years

Maximum funding: according to de minimis regulation (see item 6.4 and Annex B) and to the accumulation provisions according to 4.2

7.2.5 Procedure in detail

Submission: In the scope of calls according to item 5.1.3. *departure* and/or the *departure* jury may ask for a personal presentation.

Assessment of the content: jury decision according to item 5.2.2 b

Payment: 50 percent advance payment according to item 5.5.1, 30 percent part payment when half of the total costs have been spent according to item 5.5.2, 20 percent after conclusion of the project according to item 5.5.3

7.3 departure_experts

7.3.1 Focus

The City of Vienna is funding consulting services in the scope of this program with a focus on the following fields:

- consulting in intellectual property rights and participation in the revenues of exploitation
- consulting in internationalization projects
- market analyses and market research
- preparation of feasibility studies and feasibility checks
- consulting in the initiation of cooperations (with the objective to conclude cooperation contracts in the form of sales agreements, supply contracts, concession agreements, subcontracts, joint ventures or in the form of a contract regarding the establishment of a joint enterprise) between Viennese companies of the creative industries and companies of the classic economy

in order to

- provide companies of the creative industries with the opportunity to acquire lacking business competencies,
- thus allowing or facilitating the implementation of projects,
- and promoting the growth of the companies and
- offering them the opportunity for sustainable development

Explicitly not eligible for funding is:

- consulting in the scope of the submission of a project for funding
- costs for activities such as payroll, accounting, annual statements etc.

The experts whose services are funded are selected by *departure* in the scope of an international selection procedure. The expert pool will be adequately published by *departure*

7.3.2 Applicants in detail

Applications may be filed by companies of the creative industries according to item 2.1.1.

7.3.3 Criteria in detail

The project is assessed according to the criteria specified under item 3. In the event of a positive assessment the following content-related criteria apply regarding consulting services:

- the consulting services significantly support the planned project,

- the sustainability of the consulting services and a gain of knowledge beyond the concrete project are expected

If required *departure* can provide more detailed information.

7.3.4 Funding in detail

Assessment basis: all costs for consulting services directly assignable to the project; other costs are not being funded in the scope of this program

Minimum assessment basis: 7,500 euros

Funding intensity: 50 percent

Maximum period over which costs may be charged: one year

Maximum funding: 15,000 euros according to the de minimis regulation (see item 6.4 and Annex B) and the accumulation provisions according to 4.2

7.3.5 Procedure in detail

Submission: any time according to item 5.1.2; each company can only file one application; applications can only be filed after publication of the expert pool by *departure*

Content-related assessment: carried out by *departure* according to item 5.2.2 a

Payment: 50 percent advance payment according to item 5.5. Final payment according to item 5.5.3

7.4 departure_pioneer

7.4.1 Focus

In the scope of this program the City of Vienna is funding

- consulting services in order to compensate lacking managerial and other competencies of the applicants
- internal personnel expenses (except for remunerations of company owners and partners in a firm who actively participate in the funded project),
- other costs incurring in the set-up phase

in order to

- use the creative potential in Vienna and
- encourage graduates of the relevant educational institutions and thus to promote the establishment of companies in the field of the creative industries,
- and to support creative professionals who have already set-up business to promote faster and more sustainable growth,
- which shall increase the dynamism of the creative industries sector and trigger positive growth and employment effects

The experts whose services are funded are selected by *departure* in the scope of an international selection procedure. The expert pool will be adequately published by *departure*.

7.4.2 Applicants in detail

Applications may be filed by all companies according to item 2.1.1, on the condition that the establishment of the company took place at maximum six months prior to the date of application, as well as by company founders according to item 2.1.2.

7.4.3 Criteria in detail

Instead of the criteria specified under item 3.2 the following criteria apply:

- novelty and originality of the business concept, in particular unique solutions, pioneering spirit and innovative methods
- feasible business concept regarding technical, organizational and human resources
- serious entrepreneurial ambitions regarding risk appetite and the general economic orientation of the business concept
- value of the business concept for the society, economy and knowledge society

7.4.4 Funding in detail

Assessment basis:	all costs explicitly arising in the scope of the foundation and set-up of a company, in particular consulting services offered by the expert pool; at least 30 percent of the assessment basis has to be used for consulting services.
Minimum assessment basis:	5,000 euros
Funding intensity:	70 percent
Maximum period over which costs may be charged:	two years
Maximum funding:	15,000 euros according to the de minimis regulation (see item 6.4 and Annex B) and the accumulation provisions according to 4.2 In order to consume maximum funding costs in the amount of at least 21,500 euros have to be accounted for after completion of the project.

7.4.5 Procedure in detail

Submission:	any time; applications can only be filed after publication of the expert pool by <i>departure</i> .
Assessment:	by <i>departure</i> according to item 5.2.2 a
Payment:	50 percent advance payment according to item 5.5.1 Final payment according to item 5.5.3

Annex A

Costs eligible for funding

Principles

- a) The basis of assessment is limited to **actual and verifiable costs paid by the applicant excl. turnover tax**.
- b) Costs are only included in the basis of assessment up to an amount **customary at the specific location**.
- c) Internal costs have to be supported with suitable and legally compliant **accounting documents** of the applicant, external costs have to be supported by **invoices** meeting legal requirements.
- d) Payment of granted subsidies is subject to the actual incurrence of costs (**payment**) for the funded project (except for down payments according to item 5.5.1). Invoices and receipts are to be provided in an organized form as proof of the actual incurrence of costs.
- e) Costs which, as a rule, are **not eligible for funding** and are therefore not accepted as part of the basis of assessment are:
 - costs which are not immediately connected with the project funded
 - costs connected with the project which have been accrued before submission of the proposal
 - costs which are not eligible for funding in accordance with relevant EU legal requirements
 - costs incurred by a project conducted on behalf of a third party
 - costs incurred by serial production
 - material costs of day-to-day business, e.g. telephone costs, rents including incidental expenses (such as energy costs, cleaning, heating, etc), insurance costs and similar.

Notes on certain cost types:

Internal labor costs are calculated on the basis of gross annual salaries including direct non-wage labor costs. These direct non-wage labor costs include the 13th and 14th monthly salaries as well as social security contributions (e.g. employer's share of social security, employer contribution to the Austrian FLAF (equalization fund for families), supplement for the employer contribution, municipal taxes and payments to the staff provision fund.

Costs for non-cash benefits, bonuses and other benefits, severance payments, etc. as well as prorated overheads cannot be appropriated. The following formulas apply:

$$\begin{aligned} \text{Working hours per year} &= \text{mandatory weekly hours} \\ &\quad \text{multiplied by 41 weeks of average actual working time}^5 \\ \text{hourly rate} &= \frac{\text{gross annual salary incl. direct non-wage labor costs}}{\text{divided by the number of working hours per year}} \end{aligned}$$

The hourly rate has to be multiplied by the actual number of working hours spent on the project to be funded.

Example:

Employee with annual gross salary of EUR 64,000.00 incl. 13th and 14th monthly salaries + EUR 16,500.00 social security contributions, 38 mandatory working hours per week, 612 hours of cooperation on the submitted

$$\text{Internal labor costs for this employee} = \frac{64.000 + 16.500}{38 \times 41} \times 612 = \text{EUR } 31.621,31$$

Small enterprises (max. of 49 employees) can, except for projects under the departure_pioneer funding program, appropriate the salaries of **company owners and partners** actively participating in the project funded. However, these appropriations are limited to the highest grade of the (collectively agreed) salary scheme applied to the applicant – (see item 7.4).

Costs for building investments, materials, equipment, furnishings

The proportion of investment costs which are directly and uniquely assignable to the project to be funded and which are related to the operational purpose and to the accounting period can be included in the assessment basis (depreciation for the period of project-relevant use, prorated use by the project).

Travel expenses

Travel expenses for the purpose of these guidelines are all expenses incurred by travel – journeys, meals, accommodation – by order and for account of the applicant. The travel expenses regulation of the Municipality of Vienna applies.

⁵ This value is the maximum of working hours per year per employee which can be applied for the calculation of the funding. No overtime is provided for.

Annex B

De minimis regulation

The European Commission specified that so-called “de minimis” aid is exempt from the notification requirement. “De minimis” aid are grants or funding programs which limit the amount of aid to EUR 100,000 for a period of three years per company (or group of companies).

This short description only serves as basic information and is not to be regarded as an authentic interpretation of the provision; the definition contained in the European Commission regulation (EC) No. 69/2001 of January 12, 2001 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid (Official Journal of the European Communities No. L10 of January 13, 2001, p.0030) as amended or any superseding legal basis apply. The text of the regulation is available from *departure* on request

Annex C

Definition of the term “creative industries“

According to a study (“An Analysis of the Economic Potential of the Creative Industries in Vienna”, Vienna 2004) conducted by the Austrian Institute of Economic Research (WIFO), Mediacult and the Kulturdokumentation institute, the various sectors of the creative industries include:

- Music
- Architecture
- Literature/publishing and print media
- Audiovisual field
- Fine arts and the art market
- Graphic art, fashion and design
- Multimedia, software, games and the Internet